



STATE OF ALASKA  
DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

*Mike Dunleavy, Governor*  
*Julie Anderson, Commissioner*  
*Robert M. Pickett, Chairman*

**Regulatory Commission of Alaska**

August 18, 2021

In reply refer to: Tariff Section  
File: TA439-32  
LO #: L2100296

Brad Janorschke  
General Manager  
Homer Electric Association, Inc.  
3977 Lake Street  
Homer, AK 99603-7680

Dear Mr. Janorschke:

Homer Electric Association, Inc. (HEA) filed TA439-32 on June 23, 2021,<sup>1</sup> seeking to update its Cost of Power Adjustment and Small Facility Power Purchase Rate. On August 17, 2021, the Regulatory Commission of Alaska approved Tariff Sheet Nos. 86 and 87.1, filed June 23, 2021, by HEA with TA439-32. The effective date of the tariff sheets is July 1, 2021.

Enclosed are validated copies of the approved tariff sheets. Please note that a margin notation on Tariff Sheet No. 86 has been updated in accordance with 3 AAC 48.360(g).

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

Becki Alvey (Aug 18, 2021 08:11 AKDT)

Becki Alvey  
Tariff Section Manager

Enclosures

cc: J.D. Draves  
Manager of Regulatory Affairs & Rate Design  
Homer Electric Association, Inc.  
3977 Lake Street  
Homer, AK 99603-7680

<sup>1</sup> The 45-day review period ended on August 9, 2021. On August 3, 2021, Staff requested an extension of the 45-day review period until August 23, 2021. On August 3, 2021, HEA agreed to extend to August 23, 2021.

**RECEIVED****JUN 23 2021**STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

## HOMER ELECTRIC ASSOCIATION, INC.

## G. Determination of Cost of Power Adjustment (COPA)

## 1. Estimated Costs to be recovered through COPA

## (a) COPA Balancing Account

Estimated Balance at 6/30/21

540,167 (I)

Actual Balance at 4/30/21

(161,763) (R)

## (b) Estimated Costs from AEEC 7/1/2021 - 9/30/2021

Source	Estimated Quantities (a)		Effective Rate (b)	Cost (a*b)	
Fuel From Hilcorp Gas Supply Agreement (1/2020-3/2024)	889,875	Mcf	7.56000	6,727,458	(R)
Fuel From Furie Gas Supply Agreement	0	Mcf	7.04000	0	
Estimated Fuel Transportation Cost	0	Mcf	0.23780	0	
KBPL Transportation Cost	889,875	Mcf	0.32900	292,769	(R)
Enstar Transportation	3,889	Mcf	0.16050	624	(R)
Enstar Transportation		Mcf	0.00000	0	
Enstar Transportation		Mcf	0.00000	0	
Enstar Fixed Service				37,852	
Transportation Cost From Storage	0	Mcf	0.32900	0	
Fuel Withdrawn from Storage	0	Mcf	7.39000	0	
Capacity Storage Fee				27,355	
Reservation Storage Fee				97,867	
Fuel for Seldovia & Pt Graham Generation	0	Gal	0	0	
Total Fuel Credit & Steam Rights from AEEC				86,667	
Alaska Energy Authority				709,647	(R)
Purchased Power from Other Sources				0	
Spot Purchase of Natural Gas				0	

## (c) Revenues from Economy Energy Sales

0

## (d) Credit for billings to Special Contracts\*\* (Total bills less contributions to fixed costs)

(1,639,454) (I)

## (e) Total [(a) + (b) + (c) + (d)]

6,880,953 (R)

## 2. Estimated Sales to Non-Contract Customers

86,102,804 (I)

## 3. COPA billed to Non-Contract Customers

(1)/(2)

0.07992 (R)

\*\*SPECIAL CONTRACTS WITH TESORO

Tariff Advice No.

439-32

Effective

July 1, 2021

Issued By:

HOMER ELECTRIC ASSOCIATION, INC.Lake Street, Homer, Alaska 99603

By:



Bradley P. Janörschke

Title: General Manager

RCA No. 32 Twenty Sixth RevisionSheet No. 87.1Canceling: Twenty Fifth RevisionSheet No. 87.1**RECEIVED****JUN 23 2021**STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA**HOMER ELECTRIC ASSOCIATION, INC.**SCHEDULE NUMBER 9  
SMALL FACILITY POWER PURCHASE RATE (SFPPR)  
(continued)SFPPR CALCULATION

## Normal Operating Conditions

A. Fuel and expense associated with power purchased from AEEC:	\$ 8,094,775	(R)
B. Purchased power expense from Inter-Utility Purchases:	\$ -	(R)
C. Total of all kWh generated by AEEC & Inter-Utility Purchases:	111,117,984 kWh	(R)
D. Variable expense associated with AEEC:	0.0057 \$/kWh	(I)
E. % of time in Normal Operating Condition during reporting period:	100.0%	
F. Normal Condition portion of SFPPR = (((A + B) / C) + D) x E:	0.0785 \$/kWh	(I)

## Islanded Operation Conditions

G. 5-Year Average Bradley Lake Cost of Power:	0.04977 \$/kWh
H. % of time in Islanded Operating Conditions during reporting period:	0.0%
I. Islanded Condition portion of SFPPR = (G x H):	0.0000 \$/kWh

## Consolidated SFPPR

J. Total power purchased and generated:	126,839,025 kWh	(R)
K. Total power sold:	118,997,487 kWh	(R)
L. SFPPR = (F + I) / (K / J):	8.366 ¢/kWh	(R)

DEFINITIONS

1. Fuel and expense: Fuel, fuel withdrawn from storage, and relevant variable transportation costs related to AEEC
2. Variable Expense: Allocation of operation and maintenance expenses that vary based upon the amount of power produced by AEEC.
3. Normal Condition: The typical operating status of the Association in which AEEC or Inter-Utility purchases are used to follow customer load.
4. Islanded Condition: An atypical operating status in which the Association is not interconnected with other
5. 5-Year Average Bradley Lake Cost of Power: The 5-year average is used to stabilize the SFPPR, as HEA pays a fixed cost for Bradley expenses each month, while the quantity of power delivered varies.

Tariff Advice No: **TA439-32**Effective: **July 1, 2021**

Issued By:

**HOMER ELECTRIC ASSOCIATION, INC.**

3977 Lake Street, Homer, Alaska 99603

By:

  
 Bradley P. Janorschke
Title: General Manager